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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

28 OCT 1993

IN REPLY REFER TO:

Honorable Bob Smith  
House of Representatives  
108 Cannon House Office Building  
Washington, D.C. 20515

93-253

RECEIVED

DEC 6 1993

Dear Congressman Smith:

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

This in reply to your letter of July 14, 1993, on behalf of your constituent, Mr. Russ Davis. Mr. Davis is concerned about the impact of recent legislation on land mobile services. Your letter was referred to me because the Office of Plans and Policy is responsible for implementing the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act).

On August 10, 1993, President Clinton signed the Budget Act. The competitive bidding provisions of the Budget Act affected the Commission by, among other things, limiting the Commission's lottery authority and granting the Commission authority to conduct auctions of the spectrum. In addition, other provisions of the Budget Act created a new category of mobile radio service, the Commercial Mobile Radio Service (CMRS), that would be subject to certain statutory requirements and regulations normally associated with common carriers. In addition, the Budget Act, signed August 10, 1993, provided the Commission with 210 days from its date of enactment, or March 8, 1994, to issue final rules concerning competitive bidding, and 180 days from its date of enactment, or February 6, 1994, to issue final rules concerning the CMRS. Accordingly, on September 23, 1993, the Commission initiated rule making proceedings to implement the following provisions of the Budget Act: (1) competitive bidding, Notice of Proposed Rule Making PP Docket No. 93-253 (released October 12, 1993), and (2) Commercial Mobile Radio Service, Notice of Proposed Rule Making, GN Docket No. 93-252 (released October 8, 1993).

The public, including your constituents, are invited to submit comments to the competitive bidding proceeding by November 10, 1993, and reply comments by November 24, 1993, and submit comments to the CMRS proceeding by November 8, 1993, and reply comments by November 23, 1993. I can assure you that the Commission will give full consideration to all comments filed in the competitive bidding and CMRS rule making proceedings.

Sincerely,



Robert Pepper  
Chief  
Office of Plans and Policy

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List A B C D E

ROBERT F. (BOB) SMITH  
2nd District  
Oregon



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et-Spectrum  
3252*

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Livestock

CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES

August 6, 1993

COMMITTEE ON  
NATURAL RESOURCES  
SUBCOMMITTEES  
Oversight and Investigations  
RANKING MEMBER  
National Parks, Forests,  
and Public Lands

Hon. James H. Quello  
Acting Chairman  
Federal Communications Commission  
1919 M St. NW  
Washington, D.C. 20554

Dear Mr. Quello:

I am sending the enclosed letter to you at the request of Russ Davis.

Mr. Davis is a constituent of mine who is a member of the American Mobile Radio Association. He raises the very important point that the spectrum auction should not eliminate room for necessary non-cellular communications. Many small towns and communities in my district are rural and must communicate over many miles with limited resources. I hope you will take into consideration the many varying needs of the American people when allocating space.

Thank you for your attention to these matters.

Sincerely,

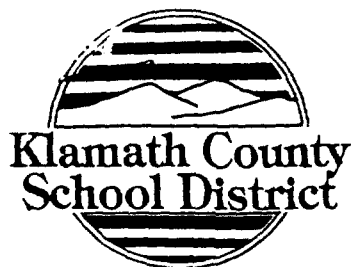
A handwritten signature in black ink, appearing to read "Bob", written over the word "Sincerely,".

ROBERT F. (BOB) SMITH  
Member of Congress

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The Honorable Bob Smith  
118 Cannon House Office Building  
Washington, DC 20515

July 14, 1993

Dear Congressman Smith

I am writing as a member of the Board of Directors of the American Mobile Radio Association. The members of the AMRA are concerned about a number of provisions of S1134, the Omnibus Budget Reconciliation Act of 1994. Many AMRA members would be affected by Section 408 and 409. We have discussed these provisions with staff and have been told that our concerns will be addressed by the FCC during the implementation phase of these provisions. However, we believe that the FCC would be more sensitive to our concerns if they were addressed in the report of the conferees.

To be specific, we fear that Section 408, which authorizes competitive bidding, will permit certain companies to purchase spectrum now reserved for land-mobile radio use and convert those channels to cellular or cellular-type telephone systems. The revenues generated by such services greatly exceeds that which is generated by traditional land-mobile radio operators. Although our members do not generate large cash-flows, their two-way radios provide invaluable services for ambulances, school buses, and hundreds of commercial users who need not switch to cellular-type phone systems. Companies providing cellular-type telephone services should not be permitted to buy up the entire spectrum simply because their cash-flow profile permits them to divert more funds to the auction.

In section 408(C) the Congress requires the FCC to report on the operation of the spectrum auction scheme and specifies a number of provisions that should be addressed. We applaud that provision but respectfully request that the following explanation of that provision be added in the conference report language:

The Congress has been approached by constituents who have expressed concerns that the spectrum auction provisions of this Act could result in the diversion of spectrum set aside for two-way radio use to other types of services that generate more revenue but provide less valuable services to communities.

In fulfilling that provisions of Section 408(C), and in particular subsections (iii) and (iv), we ask the Commission to pay particular attention to this concern and to recognize that it is not the intention of Congress that the spectrum auction provisions of this act result in the conversion of land-mobile radio frequencies to other uses.

Finally, we are concerned that the instructions to the FCC authorizing it to permit state regulation of commercial mobile services are not drafted with sufficient precision to prohibit states from interfering in the interstate commerce of land-mobile services. Specifically, Section 409(B)(ii) is extremely vague and does not define those market conditions that fail to protect subscribers from "unjust or unreasonable rates." Having discussed this matter with officials at the FCC, we believe that our concerns would be adequately addressed if, in their report, the managers of the conference were to specify that:

It is not the intent of Congress that the regulatory authority contemplated in Section 409(B) be extended to those land-mobile radio services that do not attempt or purport to be an alternative to land-line telecommunications services.

Thank you very much for your assistance in this matter. Please not hesitate to call AMRA executive director Richard Holwill at 202/547-6545, if you have any questions.

Sincerely,

*Russ F. Davis*

Russ Davis  
AMRA

Klamath County School Dist.